

Scanorto A/S

Nymøllevej 50
2800 Kgs. Lyngby

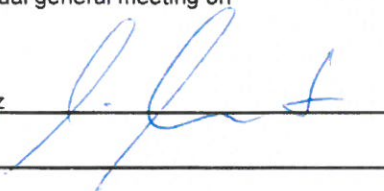
CVR no. 12 68 76 48

Annual report for the period 1 January – 31 December 2018

The annual report was presented and approved at the
Company's annual general meeting on

27 May 2019

Steven Schwarz
chairman



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Scanorto A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

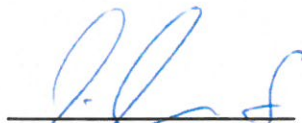
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Kgs. Lyngby, 27 May 2019

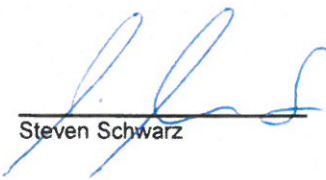
Executive Board:



Steven Schwarz

Board of Directors:

Xavier Cherbavaz
Chairman



Steven Schwarz

Maria Luisa Caggiula

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The annual report has been prepared in accordance with the Danish Financial Statements Act.

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Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Kgs. Lyngby, 27 May 2019
Executive Board:

Steven Schwarz

Board of Directors:



Xavier Cherbavaz
Chairman

Steven Schwarz

Maria Luisa Caggiula

Scanorto A/S
Annual report 2018
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The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Kgs. Lyngby, 27 May 2019
Executive Board:

Steven Schwarz

Board of Directors:

Xavier Cherbavaz
Chairman

Steven Schwarz



Maria Luisa Caggiula

Independent auditor's report

To the shareholders of Scanorto A/S

Opinion

We have audited the financial statements of Scanorto A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Henrik Kronborg Iversen
State Authorised
Public Accountant
mne24687



Rasmus Bloch Jespersen
State Authorised
Public Accountant
mne35503

Scanorto A/S
Annual report 2018
CVR no. 12 68 76 48

Management's review

Company details

Scanorto A/S
Nymøllevej 50
2800 Kgs. Lyngby

Telephone: 39971100
Fax: 39971111

CVR no.: 12 68 76 48
Established: 1 January 1989
Registered office: Kgs. Lyngby
Financial year: 1 January – 31 December

Board of Directors

Xavier Cherbavaz, Chairman
Steven Schwarz
Maria Luisa Caggiula

Executive Board

Steven Schwarz

Auditor

ERNST & YOUNG
Godkendt Revisionspartnerselskab
Osvold Helmuhs Vej 4
2000 Frederiksberg

Management's review

Operating review

Main activities

The Company's activities consist of trade with dental and hospital items.

Development in activities and financial position

The income statement of the Company for 2018 shows a profit of DKK 1,111,930, and at 31 December 2018 the balance sheet shows equity of DKK 5,233,540.

Capital resources

The Company's capital resources are considered satisfactory.

Strategy

The Company's strategy is to resell products within the dental and hospital segment.

Targets and expectations for the year ahead

On the basis of the Company's development so far, the Company expects a year with a reasonable development and an improved result of primary activity compared to 2018.

Uncertainty regarding recognition and measurement

Recognition and measurement in the annual report have not been subject to any significant uncertainty.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2018	2017
Gross profit		8,161,111	8,586,717
Staff costs	2	-6,655,334	-7,333,457
Depreciation, amortisation and impairment	3	<u>-39,715</u>	<u>-889,815</u>
Operating profit		1,466,062	363,445
Financial costs	4	<u>-24,011</u>	<u>-18,761</u>
Profit before tax		1,442,051	344,684
Tax on profit/loss for the year	5	<u>-330,121</u>	<u>-80,186</u>
Profit for the year		<u>1,111,930</u>	<u>264,498</u>
Proposed profit appropriation			
Retained earnings		<u>1,111,930</u>	<u>264,498</u>
		<u>1,111,930</u>	<u>264,498</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>373,010</u>	<u>412,725</u>
Investments	7		
Deposits		<u>118,500</u>	<u>118,500</u>
Total fixed assets		<u>491,510</u>	<u>531,225</u>
Current assets			
Receivables			
Trade receivables		1,971,209	1,910,730
Receivables from group entities		8,014,454	5,001,461
Other receivables		46,776	48,071
Deferred tax asset		0	186,914
Prepayments		<u>45,447</u>	<u>173,584</u>
		<u>10,077,886</u>	<u>7,320,760</u>
Cash at bank and in hand		<u>3,677</u>	<u>0</u>
Total current assets		<u>10,081,563</u>	<u>7,320,760</u>
TOTAL ASSETS		<u><u>10,573,073</u></u>	<u><u>7,851,985</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital	8	500,000	500,000
Retained earnings		4,733,540	3,621,610
Total equity		<u>5,233,540</u>	<u>4,121,610</u>
Provisions			
Provisions for deferred tax		18,005	0
Total provisions		<u>18,005</u>	<u>0</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		110,449	292,049
Payables to group entities		2,547,853	868,772
Corporation tax		125,202	0
Other payables		2,538,024	2,569,554
		<u>5,321,528</u>	<u>3,730,375</u>
Total liabilities other than provisions		<u>5,321,528</u>	<u>3,730,375</u>
TOTAL EQUITY AND LIABILITIES		<u>10,573,073</u>	<u>7,851,985</u>
Contractual obligations, contingencies, etc.	9		
Related party disclosures	10		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	500,000	3,621,610	4,121,610
Transferred over the profit appropriation	0	1,111,930	1,111,930
Equity at 31 December 2018	500,000	4,733,540	5,233,540

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Scanorto A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Gross profit/loss

Pursuant to section 32 of the Danish Financial Statements Act, Management has decided to aggregate revenue, costs of sales and other external costs and instead add an item designated "Gross profit" or "Gross loss".

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Revenue

Income from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to achieve the net turnover for the year.

Other external costs

Other external charges comprise expenses for distribution, sales, advertising, premises, office expenses, administrative expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pensions and other social security costs etc., for the Company's employees. Staff costs are less government refunds received.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and costs

Financial income and costs comprise interest and expense, gains and losses on payables and transactions denominated in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of rental deposits and are measured initially at amortized cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank balances.

Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under "Receivables from group enterprises" or "Payables to group entities" as applicable.

Prepayments

Prepayments comprise prepaid costs concerning rent, insurance premiums, subscriptions and interest.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity, if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

Liabilities

Liabilities other than provisions are measured at amortized cost which substantially corresponds to nominal value.

2 Staff costs

	<u>2018</u>	<u>2017</u>
DKK		
Wages and salaries	6,067,253	6,679,918
Pensions	425,195	434,926
Other staff costs	<u>162,886</u>	<u>218,613</u>
	<u>6,655,334</u>	<u>7,333,457</u>
Average number of full-time employees	<u>10</u>	<u>11</u>

Financial statements 1 January – 31 December

Notes

DKK	<u>2018</u>	<u>2017</u>
3 Depreciation, amortisation and impairment		
Intangible assets	0	863,931
Property, plant and equipment	<u>39,715</u>	<u>25,884</u>
	<u>39,715</u>	<u>889,815</u>
4 Financial costs		
Other financial costs	4,133	7,459
Exchange adjustments	<u>19,878</u>	<u>11,302</u>
	<u>24,011</u>	<u>18,761</u>
5 Tax on profit/loss for the year		
Current tax for the year	125,202	0
Deferred tax for the year	<u>204,919</u>	<u>80,186</u>
	<u>330,121</u>	<u>80,186</u>
6 Property, plant and equipment		
DKK		<u>Fixtures and fittings, tools and equipment</u>
Cost at 1 January 2018		644,272
Disposals for the year		<u>-210,763</u>
Cost at 31 December 2018		<u>433,509</u>
Depreciation and impairment losses at 1 January 2018		-231,547
Depreciation and impairment losses for the year		-39,715
Reversed depreciation and impairment losses on assets sold		<u>210,763</u>
Depreciation and impairment losses at 31 December 2018		<u>-60,499</u>
Carrying amount at 31 December 2018		<u>373,010</u>
7 Investments		
DKK		<u>Deposits</u>
Cost at 1 January 2018		<u>118,500</u>
Cost at 31 December 2018		<u>118,500</u>
Carrying amount at 31 December 2018		<u>118,500</u>
8 Equity		
The company's share capital has remained DKK 500,000 thousand in the past five years.		

Financial statements 1 January – 31 December

Notes

9 Contractual obligations, contingencies, etc.

Joint taxation

The Company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationselskab) for the Danish joint taxation. The Company is jointly and severally unlimited liable with the other jointly taxed companies for payment of corporation tax for the income year 2013 and later, and for withholding tax on interest, royalties and dividends, which are payable on 1 July 2012 and later.

At 31 December 2018, the jointly taxed companies' net liability to SKAT is disclosed in Administration ApS, registration number 28 31 68 87. Any subsequent assessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

Operating lease obligations

Lease obligations under operating leases. Total future lease payments:

DKK	2018	2017
Within 1 year	341,592	788,619
Between 1 and 5 years	29,505	501,989

10 Related party disclosures

Consolidated financial statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

Danaher Corporation
2200 Pennsylvania Avenue, NW, Suite 800W
Washington, DC 20037

The Group Annual Report of Danaher Corporation may be obtained at the above address.